

**September  
2020**

## **Texas House Committee on Insurance**

### **Request for information related to the COVID-19 pandemic.**

1. How prevalent is price gouging related to COVID-19 testing? What are state agencies doing in order to monitor price gouging associated with COVID-19 testing?

TRS is closely monitoring claims and has not found any evidence of price gouging. TRS has controls in place that protect our members and prevent unreasonable payments for testing.

TRS is covering diagnostic testing for COVID-19 at 100%, so any member that meets the Center for Disease Control guidelines has no out-of-pocket costs for testing. In addition, TRS payments for testing are within a reasonable range of negotiated rates, which protects the plans from potential excessive costs. Through July 2020, out of more than 35,000 tests, 95% of tests cost less than \$120, and the outliers examined were reasonable. TRS will continue to monitor for excessive costs.

2. What steps are being taken in order to prevent surprise medical billing associated with COVID-19 treatment? What steps can consumers take in order to avoid these surprise medical bills?

TRS is covering COVID-19 treatment at 100% for inpatient hospitalizations, so members have no out-of-pocket costs for inpatient stays for treatment of COVID-19. This, along with provisions in Senate Bill 1264, significantly reduces the possibility that members would receive a surprise medical bill for care related to COVID-19. To date, TRS has not identified any request for arbitration or mediation related to care for COVID-19.

3. How many business interruption claims have been filed during the COVID-19 pandemic? Did policyholders report issues with being unaware of pandemic-related exceptions to coverage under these policies?

Not applicable.

#### 4. What is the anticipated impact of the COVID-19 pandemic on health insurance premiums and the health insurance market moving forward?

TRS is monitoring the impact of COVID-19 on the TRS-ActiveCare and TRS-Care fund balances. Based on claims paid through the end of July 2020, there were more than 6,000 confirmed cases of COVID-19 and an additional 21,000 suspected cases. This represented approximately 5% of the TRS-ActiveCare and TRS-Care Standard enrollment. There is a delay between the time between when members visit health care professionals and TRS pays for these claims. As a result, TRS expects COVID-19 related costs for our self-insured health programs to increase throughout the summer. Claims received and paid through the end of July 2020 totaled \$28.8 million for TRS-ActiveCare and \$8.5 million for TRS-Care Standard. The largest category of expenses for COVID-19 pertains to inpatient hospital admissions. We anticipate that, for inpatient costs alone, the cost through the end of July will increase by approximately \$51.5 million in TRS-ActiveCare. However, the full magnitude of COVID-19 costs within TRS programs are unknown at this time. TRS will continue to monitor the impact of the COVID-19 pandemic on the trust funds.

#### 5. Has there been a decrease in auto insurance claims during the COVID-19 pandemic? How many auto insurers have issued credits or rebates to their policyholders due to the COVID-19 pandemic? If so, how was the amount of this credit or rebate determined? What steps are state agencies taking in order to ensure that auto rates are not excessive as a result of a presumptive decrease in driving and claims associated with the COVID-19 pandemic?

Not applicable.